



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

generalization is difficult and often impossible in regard to these matters, textbooks usually treat them inadequately.

There are, therefore, many advantages in departing from generalizations, and describing the methods of particular companies. In this way principles may be clarified by showing their concrete applications; the dependence of peculiar methods in one particular upon peculiar methods in other particulars may be shown; and the entire subject may be presented more vividly by actual rather than hypothetical illustrations. These are some of the merits of Mr. Hudnut's exposition. Special treatment is particularly appropriate in the case of the New York Life Insurance Company, since there are many characteristics which distinguish it from practically all of its rivals, among which are: its magnitude; its compliance with the laws of nearly every important state and nation; its great variety of special risks, including sub-standard, occupational, semi-tropical and tropical hazards; its agency organization, and methods of compensating solicitors; and its method of electing directors.

The author disclaims the intention of adding to the textbooks on life insurance. He proposes only to "take up a few representative policies, consider all their clauses and follow them through all possible phases of their history, showing what the company receives on account of them and what it does with the money." But these "Studies" present the subject more systematically than some more pretentious works. Moreover, in describing the contracts, the fundamental computations, the official reports, and the organization of his company, the author has produced an interesting monograph, simply and vividly written, but admirably explicit in its discussion of details.

The book includes a chapter by Darwin P. Kingsley, and an appendix containing the most important sections of the insurance law of New York.

WILLIAM H. PRICE.

Yale University.

Insurance Science and Economics. A Practical Discussion of Present-Day Problems of Administration, Methods and Results.

By FREDERICK L. HOFFMAN. (New York: The Spectator Company. 1911. Pp. xiii, 366. \$3.00.)

Mr. Hoffman has covered a tremendous amount of literature in the preparation of this volume. He has drawn extensively upon

the physical sciences, philosophy, history, commerce, economics, besides the voluminous but scattered literature of insurance.

The book centers around three principal themes: (1) that the study of insurance is strictly a science; (2) that the business of insurance is commerce; in the United States it is properly interstate commerce, and as such should be taken from state and placed under federal control; (3) that the insurance business should not be taxed, except possibly its real estate; that in the United States taxation is particularly haphazard and burdensome and should be immediately reformed. The introduction and first two chapters center around theme one; the next three chapters around theme two; the next two around theme three. Chapter 8 makes a brief survey of the English Assurance Companies' Act of 1909. Chapter 9, the concluding chapter, is a discussion of averages.

The principal theme is the second. The Constitution of the United States gives Congress power to regulate interstate commerce; but, the Supreme Court of the United States holds that insurance is not commerce and is therefore not subject to federal control. Because of this view the control of the insurance business has fallen entirely to the individual states, resulting in multiplicity and divergence of legislation, greatly hampering the business and accomplishing little good. Control should be simplified and centralized, and for this purpose should be placed with the federal government. This, however, according to the Supreme Court, cannot be done. The Constitution does not say what is and what is not commerce; the Supreme Court has made its own opinion law. Mr. Hoffman shows by ample evidence that this opinion is contrary to common sense, the facts of history, expert judgment, and the practice in other countries—but unfortunately the court's view is the law of the land!

Mr. Hoffman makes also a great deal of the third theme—that the insurance business should not be taxed except perhaps its real estate. Here there is ample ground for difference of opinion. It is true that there is lack of uniformity in insurance taxation and that the taxes should not be levied upon premium receipts. The average life insurance tax in the United States is 2.15 per cent of premium receipts, which Mr. Hoffman considers exceedingly burdensome. On the face this rate does seem high. But, suppose we view the matter in another way. On its total admitted assets, the

New York Life, the largest life company in the country, pays a tax of only .002 per cent, or two mills on the dollar; this is approximately the rate paid by the Mutual, and the Equitable; five mills is certainly the maximum for life insurance as a whole. As taxes go, this rate is far from excessive.

It is not very clear why the three and a half billions of life insurance assets should go untaxed. These assets cover principally the reserves of policy holders, who for the most part belong to the middle and wealthy, and not to the poorer classes. If these assets had been placed anywhere else for investment, they would probably have had to pay taxes—why not insurance? Is the effect of paying taxes any different whether (say) \$500 is invested in a corporation bond or credited to the reserve of a life insurance policy? In either case you may say that the tax is on savings and thrift, and finally in case of death falls upon the family of the saver. Probably all taxes have these discouraging effects or attachments.

Two general criticisms should perhaps be added: (1) The title of the book is over-ambitious; it suggests a systematic treatment of the principles of insurance, and there is no such treatment. (2) The book is rather discursive and has unnecessary repetitions. Considerable material is included, which is interesting enough, but is quite extraneous to any clear-cut insurance discussion. But, in spite of criticism, the book is an exceedingly valuable one; it is clear, interesting, and suggestive.

JOHN BAUER.

Cornell University.

Die Vorarbeiten zur Herstellung gemeinsamer deutscher Sterblichkeitstafeln. By DR. SCHMERLER (Hamburg). Introduction by EUGEN LINDE (Magdeburg). (Berlin: Ernst Siegfried Mittler und Sohn. 1911. Pp. 80.)

This pamphlet was printed February, 1911, as Number XXII of the publications of the Deutschen Vereins für Versicherungs-Wissenschaft. As the title indicates, the brochure deals with the preliminary work preparatory to the somewhat elaborate and extended investigation which is now being made into the recent mortality experience of German life insurance companies. As will be quite apparent to any reader of this pamphlet, the present investigation of the combined mortality experience of such of the